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Item 20 (d) of the preliminary list*
STRENGTHENING OF THE COORDINATION OF HUMANITARIAN AND DISASTER RELIEF ASSISTANCE OF THE UNITED NATIONS, INCLUDING SPECIAL ECONOMIC ASSISTANCE: ASSISTANCE TO THE PALESTINIAN PEOPLE

ECONOMIC AND SOCIAL COUNCIL
Substantive session of 1998
Item 9 of the provisional agenda**
IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES BY THE SPECIALIZED AGENCIES AND THE INTERNATIONAL INSTITUTIONS ASSOCIATED WITH THE UNITED NATIONS

Letter dated 18 June 1998 from the Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People addressed to the Secretary-General

I have the honour to draw your attention to the Seminar on Assistance to the Palestinian People, convened by the Committee on the Exercise of the Inalienable Rights of the Palestinian People, in accordance with its mandate to promote international support for and assistance to the Palestinian people during the transitional period. The Seminar was held on 27 and 28 April 1998 at Cairo. Its theme was "Facing the challenges of the year 2000: promoting Palestinian national development".

The Seminar provided a forum for an exchange of experience and expertise on various aspects of the current and future challenges facing the Palestinian people in their efforts to promote Palestinian national development, and on the role of the international community in this regard, particularly in the light of the growing hardships posed by the occupation. The Seminar was attended by donor and other Governments, intergovernmental organizations, organizations and entities of the United Nations system, officials of the Palestinian Authority

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and non-governmental organizations active in the field, as well as experts from the region and elsewhere. The Committee considers that the Seminar was a useful gathering and hopes to have made a constructive contribution to international efforts aimed at promoting an improvement in the living conditions of Palestinians and in their prospects for social and economic development, which are essential for the achievement of a just and lasting peace in the region.

I have the honour to attach for your information the report of the Seminar (see annex). I should be grateful if you would have the text of the present letter, together with the report, circulated as a document of the General Assembly, under item 20 (d) of the preliminary list, and of the Economic and Social Council, under item 9 of the provisional agenda.

(Signed) Ibra Deguène KA
Chairman
Committee on the Exercise of
the Inalienable Rights of
the Palestinian People

ANNEX

REPORT ON THE

UNITED NATIONS SEMINAR ON ASSISTANCE
TO THE PALESTINIAN PEOPLE

Theme:
"Facing the challenges of the year 2000: promoting
Palestinian national development"

Cairo, 27-28 April 1998

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I. INTRODUCTION

A. Organization of the Seminar

1. The Committee on the Exercise of the Inalienable Rights of the Palestinian People convened the Seminar on Assistance to the Palestinian People in accordance with its mandate to promote international support for and assistance to the Palestinian people during the transitional period. The Seminar was held on 27 and 28 April 1998 in Cairo.

B. Participation

2. The Committee on the Exercise of the Inalienable Rights of the Palestinian People was represented by a delegation comprising Mr. Ibra Deguène Ka (Senegal), Chairman; Mr. Ravan Farhadi (Afghanistan), Vice-Chairman; Mr. George Saliba (Malta), Rapporteur; Mr. Martin Andjaba (Namibia); and Mr. Nasser M. Al-Kidwa (Palestine). The Committee Chairman served as chairman of the Seminar, and the Committee Rapporteur as rapporteur of the seminar.

3. Invitations to participate in the Seminar were extended to Governments, intergovernmental organizations, organizations and agencies of the United Nations system, and non-governmental organizations active in the field. A number of experts were invited to make presentations at the Seminar.

4. The following Governments were represented: Afghanistan, Algeria, Argentina, Australia, Austria, Azerbaijan, Bangladesh, Belgium, Bolivia, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Cameroon, China, Colombia, Cuba, Cyprus, Democratic People's Republic of Korea, Denmark, Egypt, Eritrea, Finland, France, Ghana, Greece, Hungary, India, Indonesia, Iran (Islamic Republic of), Italy, Japan, Jordan, Malta, Mauritius, Niger, Oman, Panama, Philippines, Poland, Portugal, Qatar, Russian Federation, Saudi Arabia, Singapore, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Tunisia, Syrian Arab Republic, Thailand, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, Uruguay, Viet Nam, Yemen and Zimbabwe.

5. The following organizations, agencies and other entities of the United Nations system participated: Food and Agriculture Organization of the United Nations (FAO); International Labour Organization (ILO); International Telecommunication Union (ITU); Universal Postal Union (UPU); Office of the United Nations Special Coordinator in the Occupied Territories; United Nations Development Programme (UNDP); United Nations Educational, Scientific and Cultural Organization (UNESCO); United Nations High Commissioner for Human Rights; United Nations Population Fund (UNFPA); and United Nations High Commissioner for Refugees (UNHCR).

6. The following intergovernmental organizations were represented: European Community (EC); League of Arab States (LAS); and Organization of the Islamic Conference (OIC).

7. The delegation of Palestine took part in the work of the Seminar.

8. Mr. Nabil Shaath, Minister of Planning and International Cooperation of the Palestinian Authority delivered a statement as a keynote speaker.

9. The following experts presented papers: Mr. Ali Shaath, Assistant Deputy Minister for Planning and International Cooperation, Palestinian Authority; Mr. Jonathan Paris, a Fellow in the Council on Foreign Relations working on United States/Middle East projects; Mrs. Ghania Malhess, The General Directorate of Economic Affairs at the League of Arab States; Mr. Hassan Abu Libdeh, President, Palestinian Central Bureau of Statistics, Palestinian Authority; Mr. Marwan Khawaja, Professor of Sociology at Birzeit University; Mr. Chinmaya Gharekhan, United Nations Special Coordinator in the Occupied Territories; Mr. Mahdi Abdul Hadi, Head of the Palestinian Academic Society for the Study of International Affairs in Jerusalem; Mr. Simcha Bahiri, Co-Chairman of the Israel/Palestine Center for Research and Information, Tel Aviv; and Mr. Joseph Bock, Country Representative of the Catholic Relief Services in the Palestinian territory.

10. The following non-governmental organizations participated as observers: Arab Health Centre, Jerusalem; Ard El Insan, Palestine Committee for Israeli-Palestinian Dialogue, Tel Aviv; Conféderation générale italienne du travail, Rome; General Arab Women's Federation; Palestine International Confederation of Arab Trade Unions, Damascus; International Catholic Migration Commission, Switzerland; International Organization for the Elimination of All Forms of Racial Discrimination, Switzerland; Legal Research and Resource Center for Human Rights, Cairo; National Young Women's Christian Association of Egypt; Near East Foundation, Cairo; North-South XXI, Geneva; Palestine Council for Justice and Peace, Ramallah; Palestinian Committee for Social and Psychological Health, Gaza; Palestinian Diaspora and Refugee Center, Jerusalem; Palestine Red Crescent Society, Cairo; Palestinian Agricultural Relief Committee, Gaza; Palestinian Trade Union Federation; Palestinian Center for Human Rights, Gaza; Princeton Middle East Society, United States of America; Sabeel Liberation Theology Center, Jerusalem; Social Development Committee, Israel; Terre des Hommes, Jerusalem; Union of Local Associations in the Unrecognized Villages in Israel; United Nations Association for International Service, Jerusalem; World Muslim Congress, Pakistan; World Young Women's Christian Association, Geneva; and World Federation for Mental Health, Cairo.

C. Agenda

11. The purpose of the Seminar was to provide the framework for an expert discussion on promoting Palestinian national economic and social development as well as encouraging the role of the international community for providing assistance to and helping the Palestinian people in overcoming internal as well as external obstacles in implementing its plan of development. The Seminar also aimed at building on seminars on economic and social issues held under the Committee's auspices during the past five years and providing information on the Palestinian Authority's Development Plan for 1998/99 and the recently concluded population census.

12. In the plenary session and in the course of three round-table discussions, the participants addressed the following issues in depth:

(a) Planning Palestinian national development: challenges and prospects;

(b) The Palestinian development plan;

(c) Gathering information for future planning: the results of the Palestinian census; and

(d) Overcoming obstacles: the role of the international community.

D. Opening of the Seminar

13. At the opening session, a statement on behalf of the Government of Egypt, the host country, was made by Mr. Mustafa Abdel Aziz, Assistant Minister for Foreign Affairs. A statement on behalf of the Secretary-General of the United Nations was read out by his representative, Mr. Chinmaya Gharekhan, Under-Secretary-General and United Nations Special Coordinator in the Occupied Palestinian Territories. Statements were also made by Mr. Ibra Deguène Ka, Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, and Mr. Nabil Shaath, Minister of Planning and International Cooperation, Palestinian Authority, representative of Palestine.

14. In his statement, Mr. Mustafa Abdel Aziz, Assistant Minister for Foreign Affairs, stressed the long-standing support of Egypt and the significance of the Palestinian question in the mind and conscience of the Egyptian people and Government. He said that the long siege and closure of the occupied Palestinian territories by Israel have badly constrained the Palestinian economy and caused a serious drop in the income and a significant increase in the unemployment rate. This has been further negatively affected by the lack of commitment of the donor countries to fully meet their financial obligations to the Palestinian Authority. He stressed that the efforts to find a solution to the question of Palestine have been for a long time at the forefront of United Nations concerns, and led to the Madrid conference and to the historical compromise between the Palestinians and the Israelis, which was reflected in the Oslo agreements and principles. He ended his statement by expressing hope that the seminar would succeed in making the Israeli Government aware of the fact that the only way for Israel to be accepted as a normal member in the Middle East region was through the establishment of peace and not through policies of hegemony, expansion and annexation of lands.

15. In a message read out on his behalf by Mr. Chinmaya Gharekhan, United Nations Special Coordinator in the Occupied Territories, Mr. Kofi Annan, United Nations Secretary-General, said that the series of seminars convened by the Committee on the Exercise of the Inalienable Rights of the Palestinian People have been useful in bringing a wide variety of issues to the attention of the donor community and in stimulating debate. The United Nations family could make an essential contribution to the peace process by helping to establish solid foundations for peace in the occupied territories, including an effective infrastructure, institutional capacity and, most importantly, improved economic and social conditions. The office of the United Nations Special Coordinator in the Occupied Territories, based in Gaza since 1994, was doing all it can to strengthen United Nations action and had provided emergency assistance in the

face of adverse circumstances. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and UNDP have both played significant roles in developing economic and social assistance programmes to respond to Palestinian need. Other parts of the United Nations family are present in the West Bank and the Gaza Strip and have demonstrated the commitment of the United Nations to help the Palestinian people. The Secretary-General recalled that during his recent visit to the region he had appealed to all the leaders of the parties to the conflict, as well as to representatives of civil society, to continue to build on the achievements of the peace process. He concluded that the theme for this year's seminar was particularly appropriate and inspired participants to redouble their efforts and reminded them of the magnitude of the task ahead.

16. In his statement, Mr. Ibra Deguène Ka, Chairman of the United Nations Committee on the Exercise of the Inalienable Rights of the Palestinian People, reiterated that since its inception, the Committee had emphasized that the United Nations has an historical duty and responsibility to render all assistance necessary to promote the economic development and prosperity of the Palestinian territory, and called for the mobilization of the resources of the system in this regard. He added that the Committee's efforts have acquired particular intensity since the signing of the Declaration of Principles and the establishment of a new reality in the Palestinian territory. Despite the serious stalemate in the peace process and the resulting aggravation of tensions on the ground, and despite the grave situation confronting the Palestinian economy, the Committee believed that the United Nations, and the international community as a whole, have a moral obligation to continue to do whatever is in their power to help the Palestinian people surmount the current difficulties and advance towards a just peace. He said that there is growing consensus within the international community on the fundamentals for a solution to the question, and unanimous desire to contribute in practical ways to the valiant Palestinian efforts to overcome their history and to build their nation. He concluded that ultimately only the end of occupation, the achievement of a just settlement which respects the rights and needs of all parties, and the establishment of normal relations between all the peoples of the region, on the basis of mutual respect, will lead to self-sustaining national development.

17. In his statement as representative of Palestine, Mr. Nabil Shaath, Minister for Planning and International Cooperation, Palestinian Authority, said that the Seminar had been convened under a challenging and forward-looking title. Presenting a bleak image of the economic conditions prevailing in the Palestinian territory and the inability to draw a manageable and sustained development plan under the Israeli harsh measures, he said that the social-economic situation would have been worse without the international community's contribution, which reached US$ 500 million a year for development, plus another $300 million for UNRWA. He went on to explain that closures, seen abroad primarily as a problem for Palestinian workers employed in Israel, were a multifaceted method of control and subjection of the Palestinian economy. He described in detail the resulting negative impact of those Israeli policies on the development of the Palestinian economy. We are in a critical phase and without free movement of people, there can be no economic development, no peace, no autonomy, he declared. Concluding, he said that the Palestinian Authority needed international pressure on the Israeli Government in order to end the

closures, and international assistance to continue to build its institutions, and to prepare for the future.

II. PLENARY SESSION

Planning Palestinian national development: challenges and prospects

18. The plenary session, entitled "Planning Palestinian national development: challenges and prospects" comprised a keynote address and statements by representatives of intergovernmental organizations, donor countries and United Nations agencies and bodies. Speakers expressed support and encouragement for the prospect of Palestinian national development plans and voiced concerns regarding obstacles facing planning and development.

19. In his keynote address, Mr. Nabil Shaath, Minister for Planning and International Cooperation of the Palestinian Authority, emphasized that, de facto, the Palestinian State existed already; however, it was under siege. At the end of the transitional period, on 14 May 1999, the independent State would be formally declared, with Jerusalem as its capital, and the struggle for real independence would begin. He said that planning for Palestinian development had started in 1988, but the signing of the interim agreements in 1993 had led to drastic changes in the approach to a national development plan. The first plan after the Oslo agreements was based on close cooperation with the World Bank, which had oriented itself towards the Palestinian needs and had tailored the plan to the positions and wishes of the donor community. By the end of 1997, the first three-year plan had been worked out, containing an integrated planning approach by combining long-term goals and short-term steps to react to Israeli closures and other obstacles.

20. Elaborating on the impact of the closures, he defined them as a policy of siege and containment of the Palestinian territory through a system of measures to intervene severely in the interrelations of different groups of Palestinian society, with the aim of continuing the Israeli economic hegemony. He said that more than 30 years of Israeli occupation had led to severe structural imbalances in Palestinian society. The new Palestinian development plan was geared towards the creation of new job opportunities, ending the decline of national income and encouraging private investment. In conclusion, Mr. Shaath pointed to three favourable factors that should help the Palestinian people to face the challenges: the high level of education provided for a unique human structure; the unique geography should enable tourism to become the major factor for economic growth; and, given the end of the cold war, the Palestinians should be able to learn from the lessons of other peoples that no total planning was feasible.

21. The representative of the Organization of the Islamic Conference stressed the continuous support of his organization to the Palestinian cause and the Middle East peace process and called for coordinated efforts to persuade Israel to stop the judaization of Jerusalem; to end its policy of building settlements on Palestinian land; to lift the siege imposed on the Palestinian people; to

adhere to the agreements it signed with the Palestine Liberation Organization (PLO); and to resume the negotiations on the Syrian and Lebanese tracks.

22. The representative of the League of Arab States said that the impasse in the peace process and the political difficulties imposed by Israel on the Palestinian people have critically hindered the economic development and the life conditions of the Palestinian people.

23. The representative of the Organization of African Unity conveyed a greeting from the Organization's Chairman and referred to several recent resolutions of the Organization, which reaffirmed the inalienable rights of the Palestinian people, including the right to establish an independent State with East Jerusalem as its capital; stressed the need to preserve the territorial integrity of the Palestinian land; and called upon Israel to end its settlement policies, its violation of human rights and the closures of the Palestinian areas, and to adhere to its commitments to the implementation of the peace agreements it signed with the Palestinians.

24. In his statement, the representative of the Syrian Arab Republic expressed his appreciation for the United Nations efforts.

25. The representative of Belgium said that his Government's political position was reflected in the different documents adopted by the European Union on the issue. Assistance to the Palestinian people was channelled to UNRWA and the Palestinian Authority. In support of UNRWA, Belgium contributed to its education programme, to its programme for the advancement of women, the construction of schools and the hospital in Gaza. Through the Palestinian Authority, Belgium contributed to the rural electrification around Nablus, construction of housing in several areas and a medical centre in the old city of Jerusalem. The exchange of professors with Palestinian universities continued and a section for cooperation was created in the Belgian Consulate.

26. In his statement, the representative of Japan warned the participants that the current political situation might bring potential danger and future risk and urged the concerned parties to resolve the pending issues including the further redeployment of Israeli forces in the West Bank and the "time-out" on unilateral steps, including the construction of settlements. He stressed that financial support for the parties concerned is one of the major pillars of Japan's Middle East diplomacy and said that Japan is now a major donor to Egypt, Jordan, the Syrian Arab Republic, Lebanon and the Palestinians, with assistance focused on raising living standards and upgrading infrastructure for economic and social development. He added that Japan's assistance to the Palestinians to overcome the various obstacles amounts to more than US$ 350 million since 1993. He said that the current Israeli Government had ignored the progress in the peace negotiations, which was made in Madrid, and refused to acknowledge the results of these negotiations as bases for furthering the peace process. He concluded by expressing the hope that efforts by the international community would bring a bright future to Palestinian children.

27. The representative of the Universal Postal Union described the efforts made by his agency to assist the Palestinian Authority in developing its postal

services, including the contribution of material and equipment for specific projects and providing training courses for postal personnel.

28. The representative of UNDP said that his agency's programme of assistance to the Palestinian people in the occupied territory covers a broad range of sectors and projects, including agriculture, governance and public administration, rural development and Bethlehem 2000.

III. SUMMARY OF THE ROUND TABLES

Round table I

The Palestinian development plan

29. In this round table, panellists addressed the following sub-topics: goals, strategies and priorities of national development; economic indicators; and social conditions.

30. Mr. Ali Shaath, Assistant Deputy Minister for Planning and International Cooperation, Palestinian Authority, said that the Palestinian Development Plan for 1998-2000 was the first attempt by the Authority to develop an annually renewable multi-year development process to meet the diversity in investment and the extensive needs of the Palestinian people. The plan was prepared through intensive inter-ministerial coordination in cooperation with the World Bank, the Office of the United Nations Special Coordinator in the Occupied Territories, and the Governments of Norway and Japan. The plan is aimed at the creation of a stable economy and the improvement in living conditions, taking into consideration the negative impact of the Israeli restrictive measures and the stalemate in the peace process. It also focuses on issues of social and economic infrastructure and developing financial and other services which facilitate economic growth and industrial efforts. He added that in order to assist in implementing this plan, the Palestinian Authority is focusing on the following national priorities: developing water and waste-water networks and improving the means of transportation; establishing a sound legal and regulatory framework; improving education, health and housing facilities; and developing industries that stimulate economic development.

31. Mr. Jonathan Paris, Fellow, United States/Middle East Project, Council on Foreign Relations, New York, said that there has been a steady deterioration in the Palestinian economy since the signing of the Oslo agreement in 1993 and that gross national product (GNP) per capita is estimated to have declined by at least 20 per cent in real terms. He enumerated six reasons why the increase in the private sector, which is the leading sector for investment and export, is not happening and provided suggestions to overcome this problem. First, he said, the physical infrastructure is not sufficient and its development is faced with lack of agreement with Israel; secondly, lack of freedom of movement owing to Israeli measures is discouraging investors; thirdly, there is a lack of infrastructure, including the lack of legal frameworks governing the use of natural resources, commercial, marketing and financial systems; fourthly, obstacles in implementing the Paris Economic Agreement of 1994 between Israel and the PLO are preventing or hindering Palestinian export; fifthly, the

agreement for developing an industrial zone along the border between Israel and the Gaza Strip was not implemented; and sixthly, the huge amount of donor assistance pledged in 1994 has not materialized with enough projects on the ground. He concluded that in addition to the need for real progress in the peace process, which is significant for economic development, there are certain measures and actions which could enhance economic growth if implemented, such as opening the borders, including the airport and the seaport; securing safe passage between Gaza and the West Bank; harmonizing the judicial system between the West Bank and the Gaza Strip; opening the Carni industrial zone; payments of donors to catch up with their pledges; and other measures.

32. Ms. Ghania Malhees, Director-General for Economic Affairs, League of Arab States, said that the Palestinian development plan could not be discussed in isolation from the necessary barometers needed for planning. She suggested that the conditions of occupation and the lack of control by the Palestinians over their national resources, including land and water, and restrictions imposed on mobility of people and resources within and outside the Palestinian territories are posing major obstacles on development and planning. In addition, the Palestinian experience in making strategic development planning shows, so far, the inability of implementing those plans owing to Israel's policies and its refusal to implement the political and economic agreements with the Palestinians. She noted that the international community and the donor countries, in particular, have backtracked on their obligation to pressure Israel to carry out its obligation, by shifting their contribution for strategic economic development into relief aid and compensation for damages caused by Israeli policies. She concluded that under those conditions and given the continuous Israeli damaging measures, the peace process has created a partnership which works to the advantage of one party, Israel, at the expense of the other, namely, the Palestinians.

Round table II

Gathering information for future planning: the results of the Palestinian census

33. In round table II, panellists discussed the following sub-topics: the Palestinian people: structure, trends and historical perspective; and the Palestinian labour forces: characteristics, skills, trends and potential.

34. Mr. Hassan Abu Libdeh, President of the Palestinian Central Bureau of Statistics of the Palestinian Authority, considered the Palestinian population and housing census as one of the major undertakings that the Palestinian Authority has carried out since its establishment. He believed this census would eventually prove to be a key step in the self-determination process, not only on the political track but also in the conceptual perception of Palestinian national development. He added that the goals of the Central Bureau of Statistics, which was established in 1993, were set to first close the gap and then to proceed into internationally recognized regular activities. This led to conducting two preliminary censuses: the first in 1994 was on the economic establishments and the second was the housing and population census, concluded in December 1997. The master plan of the Central Bureau of Statistics has,

according to him, focused on three areas, which are crucial for national planning. These areas are the Palestinian individual household; the Palestinian economy/establishment; and the land and farm registry. He said that the results of the census indicate that on 9 December 1997, the total Palestinian population in the Palestinian territory, including Jerusalem, was 2,896,310, of whom 50.75 per cent were males. He also indicated that the Palestinian population of Jerusalem totalled 323,000, including 210,000 in areas annexed by Israel. He was confident that the results of the census are providing enough social and economic indicators for the Palestinian national planners and that additional databases, particularly on labour forces, will be established based on the information provided by the census. He said that the Palestinian labour force in the territories constitutes 20 per cent of the population and 40 per cent of the qualified population for manpower (16 years old and above) and that it grows by 6 per cent annually. He said that in 1997 the rate of employment reached a high point of 70 per cent, and concluded that the rate of unemployment is higher among the more skilled labour and that in the Gaza Strip it exceeds that of the West Bank by 10 to 15 per cent.

35. Mr. Marwan Khawaja, Professor of Sociology, Birzeit University, said that the Palestinian population figures, which were estimated by the Israeli Central Bureau of Statistics (ICBS), the only source until the establishment of the Palestinian Authority, may have, according to the World Bank, a downward bias as high as 15 per cent. According to the Palestinian Central Bureau of Statistics (PCBS) 2.7 million Palestinians were living in the Palestinian territories, as of mid-1997. Of these, 1.7 million were living in the West Bank and 1 million in the Gaza Strip. He added that preliminary results from the 1997 census show a close figure of about 2.9 million persons, including residents who were living abroad for less than a year. These results also show that the median age is 16 years and that 47 per cent of the population is under 15 years of age. He said that emigration has been a significant factor in determining population change and indicated that as a direct result of the 1967 war nearly one fifth of the West Bank population moved to Jordan and between 1967 and 1968, 8 per cent of the Gaza Strip population emigrated. Emigration continued during most of the Israeli occupation however, but, he added, as a consequence of the Gulf War, there was net immigration as Palestinians returned to the territories. Since the end of 1967 through the beginning of 1994, there was, according to him, an increase of 85 per cent of the West Bank population and 90 per cent of the Gaza Strip population, which was mostly due to the high fertility rate and the decline in mortality. In conclusion, he said that according to the projections made by PCBS, the Palestinian population would double to nearly 4.7 million between 1995 and 2012, a period of only 17 years.

Round table III

Overcoming obstacles: the role of the international community

36. Panellists in round table III addressed the following sub-topics: obstructions and challenges; efforts by the Palestinian Authority; the role of Governments and intergovernmental organizations; experience of United Nations programmes and agencies; and action by non-governmental organizations.

37. Mr. Chinmaya Gharekhan, United Nations Special Coordinator in the Occupied Territories, said that since the signing of the Declaration of Principles in September 1993, there has been a conscious emphasis in United Nations activities on promoting and supporting the development efforts in the Palestinian-administered territories. Consequently, the number of United Nations agencies undertaking programmes in the West Bank and Gaza Strip has grown to reach 30 in 1997. As many as 13 of them have offices in the territories at the present time compared to only three - UNDP, the United Nations Children's Fund and UNRWA - in 1993. He stressed that the broad objective of United Nations assistance is to shift away from emergency relief measures and to try to focus on long-term sustainable development. The United Nations is involved in particular in assisting the Palestinian Authority in creating the institutions, processes and systems that are vital to governance, as well as in undertaking specific projects in different sectors of economic and social activity. The activities of United Nations agencies, he concluded, have been concentrated in the main on national capacity-building and on promoting sustainable development.

38. Mr. Joseph G. Bock, Country Representative, Catholic Relief Services, Jerusalem, said that there are three main emphases of non-governmental organization work in the Palestinian territory: (a) socio-economic development, to bring about symmetry, i.e., bringing per capita GNP, water availability, education and the like of the Palestinians in close parity with that of the Israelis; (b) advocacy for justice, to bring about political symmetry in terms of giving Palestinians greater control over their own destiny; and (c) bridge-building between Palestinians and Israelis, to promote good will and to foster reconciliation. He offered three major objectives for non-governmental organizations involved in socio-economic development, including striving for symmetry in the business relations between Israelis and Palestinians; building bridges between the parties without demonizing the powerful party; and promoting disciplined information processing.

39. Mr. Simcha Bahiri, Co-Chairman, Israel/Palestine Center for Research and Information, Tel Aviv, reviewed obstacles to Palestinian economic development imposed by Israel, including unequal trade and financial structure; hostile government policies, including closures of the territories; discrimination and restrictions against Palestinian industrial products and other measures. He then talked about Palestinian-based obstacles, including indigenous socio-economic factors; lack of proper institutions; and lack of suitable infrastructure for industrial development. He concluded by underlining the need for more international capital investment and technical assistance.

40. Mr. Mahdi Abdul Hadi, Director of the Palestinian Academic Society for the Study of International Affairs in Jerusalem, said he was convinced that the Palestinian Authority has to declare the Palestinian State in 1999. "We have all the legitimacy, all the tools, and all the possibilities to do it and I think our people will be united behind PLO leader Arafat when he does it." He then asked what the Palestinian people should expect the international community and the donor countries in particular to do when such a State is declared.

IV. CLOSING SESSION

41. Closing statements were made by the representatives of Egypt and Palestine, and by Mr. Ibra Deguène Ka, Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People.

42. In his statement Mr. Ahmed Gomaa, representative of the host country, said that the speakers and participants in the United Nations Seminar were able to present a clear picture of the obstacles as well as the challenges facing the Palestinian economy. He added that they also presented economic options, which would give the Palestinians hope for a better future. He concluded that obstacles imposed by Israel on the Palestinian economy were negating its obligations with regard to the Oslo agreements and that the only way to prosperity for the two peoples was the advancement of the peace process based on justice, equality and mutual respect.

43. Mr. Nasser Al-Kidwa, Permanent Observer of Palestine to the United Nations, expressed the belief that the Seminar had undoubtedly enriched the Palestinian experience in the field of planning and economic development. He then summarized the main themes of the Seminar, including the efforts made by the Palestinian Authority; international assistance and contribution; and the need to end Israeli measures hindering development and to adhere to the political as well as the economic agreements signed by the parties.

44. In his concluding remarks, Mr. Ibra Deguène Ka, Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, said that the Seminar, and the International Non-Governmental Organizations Meeting which had preceded it, had focused on economic and political themes, respectively. They had, nevertheless, many elements in common. It was observed during the Seminar that economic measures by themselves could not resolve fundamental political issues. Conversely, political action requires a favourable economic environment in order to succeed. Underlying the discussions in both meetings was the consensus on the responsibility of the international community, including the United Nations, Member States and intergovernmental bodies, for ending the 30 years of occupation and 50 years of dispossession of the Palestinian people. It is of great encouragement to the Committee, he concluded, that many speakers in the Seminar have expressed the view that the establishment of a Palestinian State is inevitable, and have expressed their support for it as the only viable solution.

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Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations

Assistance to the Palestinian people

Report of the Secretary-General

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I. Introduction

1. The General Assembly, in its resolution 52/170 of 16 December 1997 on assistance to the Palestinian people, *inter alia*, stressed the importance of the work done by the United Nations Special Coordinator in the Occupied Territories and of the steps taken under the auspices of the Secretary-General to ensure the achievement of a coordinated mechanism for United Nations activities throughout the occupied territories; urged Member States, international financial institutions of the United Nations system, intergovernmental and non-governmental organizations and regional and interregional organizations to extend, as rapidly and as generously as possible, economic and social assistance to the Palestinian people in order to assist in the development of the West Bank and Gaza, and to do so in close cooperation with the Palestine Liberation Organization and through official Palestinian institutions; called upon the international donor community to expedite the delivery of pledged assistance to the Palestinian people to meet their urgent needs; and requested the Secretary-General to submit a report to the General Assembly at its fifty-third session, through the Economic and Social Council, on the implementation of the resolution, containing (a) an assessment of the assistance actually received by the Palestinian people and (b) an assessment of the needs still unmet and specific proposals for responding effectively to them.

2. Mr. Chinmaya R. Gharekhan, the Representative of the Secretary-General to the Security Council from 1993 to 1996 and the Representative of the Secretary-General to the multilateral peace talks on the Middle East since January 1993, was appointed United Nations Special Coordinator in the Occupied Territories in February 1997. In his previous report on assistance to the Palestinian people (A/52/159-E/1997/69), the Secretary-General provided an overview of the period from June 1996 until May 1997. The present report covers the period from June 1997 through May 1998. In addition, in response to Economic and Social Council resolution 1997/67 of 25 July 1997, paragraph 8, in which, *inter alia*, the Council called upon the Secretary-General to continue to include, in the report of the United Nations Special Coordinator in the Occupied Territories, an update on the living conditions of the Palestinian people, in collaboration with relevant organizations and agencies of the United Nations, section IV below on living conditions in the West Bank and Gaza Strip has been included.

3. Throughout the period under review, the Special Coordinator focused his efforts on the following:

(a) Coordinating donor-funded projects in order to alleviate unemployment and related socio-economic hardship and to encourage employment generation through the implementation of needed development projects;

(b) Working with the partners in the development effort to provide budgetary support to the Palestinian Authority and to address the budget deficit;

(c) Strengthening institution-building programmes and targeted technical assistance so that greater progress could be made towards achieving sustainable socio-economic development;

(d) Encouraging greater private sector involvement in the development effort to stimulate growth, economic development and employment generation (see sect. V below);

(e) Providing logistic and other assistance to the Palestinian Authority in the preparation of the Palestinian Development Plan, 1998–2000;

(f) Expediting donor disbursements so that the Palestinian Development Plan, 1998–2000 prepared by the Palestinian Authority may be implemented.

II. Background

4. On 13 September 1993, the Government of Israel and the Palestine Liberation Organization signed the Declaration of Principles on Interim Self-Government Arrangements at the White House in Washington, D.C. (the "Oslo Accords") (see A/48/486-S/26568). Recognizing that the socio-economic advancement of the Palestinians would be a necessary condition for the continued success of the peace process, the Secretary-General formed a high-level task force on the social and economic development of the Gaza Strip and Jericho, which identified the ways in which the United Nations could expand its programmes of assistance in the West Bank and Gaza Strip. The task force, which completed its work on 23 September 1993, highlighted the need to implement projects that would quickly lead to a visible improvement in the daily lives of Palestinians and stressed the importance of continuing to support ongoing programmes that contributed to Palestinian socio-economic well-being.

5. On 1 October 1993, over 40 donor countries and institutions, including the United Nations, gathered at the Conference to Support Middle East Peace, held in Washington, D.C. The Conference, which was hosted by the United States of America, affirmed the urgent need to improve living conditions and make rapid progress towards sustainable socio-economic development in the West Bank

and Gaza Strip. Donors pledged approximately $2.4 billion, which would be disbursed over the five years of the transitional period. The General Assembly, in its resolution 48/213 of 21 December 1993, called upon relevant organizations and agencies of the United Nations system to intensify their assistance in response to the urgent needs of the Palestinian people and to improve coordination through an appropriate mechanism under the auspices of the Secretary-General.

6. In his report to the Fifth Committee, dated 29 March 1994 (A/C.5/48/71, para. 6), the Secretary-General noted that, in view of the mandates of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF) and the nature of their respective operations, it would be inappropriate to designate one as the "lead agency" in the occupied territories with the responsibilities of implementation of resolution 48/213. Given the complexity and sensitivity of the situation in the region and the multiplicity of factors outside the United Nations system that would be involved during the transitional phase, it would be necessary to establish a specific mechanism to ensure effective coordination and intensification of international assistance to the Palestinians in the occupied territories to meet their immediate and long-term needs. The Secretary-General announced his intention to appoint a Special Coordinator with responsibilities for, *inter alia*, providing overall guidance to and facilitating coordination among the respective United Nations programmes and agencies that are operating in the territories, so as to ensure an integrated and unified approach towards economic and social development.

7. Accordingly, in 1994, the Secretary-General appointed a Special Coordinator, Mr. Terje Rød-Larsen (Norway), as the focal point for all United Nations economic, social and other assistance in the occupied territories. The Special Coordinator provides overall guidance to United Nations programmes and agencies in the West Bank and Gaza Strip, both those with representation in the field and those operating from abroad. The Special Coordinator facilitates coordination within the United Nations family, and works closely with the World Bank, in assisting the Palestinian Authority in reaching an integrated and unified approach to the development effort launched by the Washington Conference. The Special Coordinator also represents the United Nations in the Ad Hoc Liaison Committee and related bodies established to follow up on the Washington Conference and serves as the focal point in dealing with the donor community. He maintains close relations with relevant regional organizations and financial institutions, as well as with non-governmental organizations.

8. Since its inception in 1994, the Office of the United Nations Special Coordinator in the Occupied Territories has been among those parties that have been instrumental in establishing the donor coordination mechanisms described below that have brought together the Palestinian Authority, the United Nations, the World Bank and the donor community. The unique position of the United Nations within these coordination mechanisms has enabled the Organization to play an influential role in the development process in the territories. The United Nations presence in the West Bank and Gaza Strip has increased from three organizations in 1993 to 13 in 1998. An additional 16 organizations of the United Nations system are providing technical assistance and expertise to the Palestinian Authority.

III. Work of local and international coordination mechanisms

9. On 29 and 30 November 1994, the main donor-led body overseeing the assistance effort, the Ad Hoc Liaison Committee, met in Brussels. At the suggestion of the United Nations representative, the Committee decided to devolve certain aspects of the donor coordination process to the level of representatives in the West Bank and Gaza Strip. For that purpose, the Committee established a Local Aid Coordination Committee, to be composed of the Palestinian Authority and all donors to the Palestinians in the West Bank and Gaza Strip, including Israel. The co-chairs of the Local Aid Coordination Committee are Norway, in its capacity as Chair of the Ad Hoc Liaison Committee, the Office of the United Nations Special Coordinator in the Occupied Territories and the World Bank. The latter two also act as joint secretariat to the Local Aid Coordination Committee. Meetings of the Local Aid Coordination Committee provide a forum for donors to report on their activities and the Palestinian Authority to provide updates on the budget deficit.

10. In December 1994, the Local Aid Coordination Committee established 12 sectoral subcommittees, known as sector working groups, to focus donor assistance to the Palestinian people and to facilitate communication and coordination between the Palestinian Authority and donor countries. Each sector working group is composed of the gavel holder, normally a Palestinian ministry; the shepherd, a donor interested in that particular sector; and the United Nations or the World Bank, which acts as the secretariat. The Special Coordinator delegated secretariat responsibilities to United Nations agencies with an established presence on the

ground, namely, UNDP, UNICEF, UNRWA, the International Labour Organization (ILO), the World Health Organization (WHO) and, recently, the United Nations Educational, Scientific and Cultural Organization (UNESCO). The Office of the United Nations Special Coordinator also assumed secretariat responsibilities. As part of the effort to increase the efficiency of the sector working groups, a series of evaluative workshops took place in early 1997, leading to the creation of more focused sub-groups. The Palestinian Authority was closely involved with this process. The changes, including the abolition of the sector working group on transport and communications, creating sub-groups for infrastructure and for institution-building, and strengthening the role of the gavel holders, were approved by the Ad Hoc Liaison Committee in June 1997.

11. In April 1995, the Ad Hoc Liaison Committee established the Joint Liaison Committee, which provides a forum in which economic policy and practical matters related to donor assistance are discussed with the Palestinian Authority. The Joint Liaison Committee is composed of the Palestinian Authority as gavel holder; Norway, in its capacity as Chair of the Ad Hoc Liaison Committee, as shepherd; the United Nations and the World Bank as joint secretariat; the United States of America and the European Union. Japan was also asked to take part in the meetings. The Joint Liaison Committee discusses bilateral issues relating to donor assistance with the participation of representatives of the Government of Israel, who are invited to attend all meetings. The Joint Liaison Committee first met on 15 May 1995 and meets approximately five times a year.

12. As part of his efforts to improve United Nations coordination, the Special Coordinator convened the fourth United Nations inter-agency meeting in Gaza on 2 and 3 July 1997. Representatives of 23 agencies attended the meeting in order to forge a common development strategy in response to needs and priorities identified by the Palestinian Authority, and in coordination with the Ministry for Planning and International Cooperation and relevant ministries of the Palestinian Authority. The inter-agency meeting allowed for two days of deliberations, exchanges of views and presentations by ministers of the Palestinian Authority to provide participants with a sense of the broader political and economic framework in which the development effort is taking place in the West Bank and Gaza Strip. As was the case in previous years, the meeting provided a forum for finalizing the document entitled "United Nations programme of cooperation for the West Bank and Gaza Strip", which outlines United Nations strategies, priorities and plans for the two-year period 1998–1999.

13. The Special Coordinator also led the United Nations delegation, comprising representatives of UNRWA, UNDP, UNICEF, ILO and UNESCO, to the fifth meeting of the Consultative Group for the West Bank and Gaza Strip, convened by the World Bank in Paris on 14 and 15 December 1997. The international donor community pledged US$ 750 million in grants, loans and equity towards development activities in the West Bank and Gaza Strip for 1998 and a further $150 million in political risk guarantees for private investment. The Consultative Group meeting was also the occasion for the Palestinian Authority to present its first three-year rolling plan, the Palestinian Development Plan, 1998–2000, to the donor community. The Plan represents the Palestinian Authority's commitment to developing national capacity in medium-term development planning and in the implementation of development projects. The Plan also reflects the deep commitment of the United Nations family to the socio-economic development of the West Bank and Gaza Strip. The United Nations is involved as donor or implementing partner in 102 out of a total number of 658 projects in the Plan project catalogue, with a combined value of approximately $224 million.

IV. Living conditions in the West Bank and Gaza Strip

14. The pattern of economic growth and development in the West Bank and Gaza Strip has been largely conditioned by the Israeli economy. The results of the integration of the West Bank and Gaza Strip into the Israeli economy have included significant labour flows from the former to the latter, a narrow range of Palestinian exports, and a large flow of Israeli exports to the West Bank and Gaza Strip. Until the early 1990s, average Palestinian incomes and living levels grew significantly, but market forces and Israeli policies created distortions in the West Bank and Gaza Strip labour, land and capital markets, thus reducing the viability of Palestinian agriculture, manufacturing and services. The one-sided relationship also left the Palestinian economy vulnerable to external shocks, such as civil unrest, curfews, Israeli recessions and closures.

15. The Palestinian economy has been severely affected by Israeli closures. Since 1992, the gross national product (GNP) of the West Bank and Gaza Strip, the broadest measure of national income, has declined by approximately 20 per cent. Falling GNP and population growth have reduced per capita income by about one third to an estimated US$ 1,600. The decline in per capita income was very pronounced in 1996. Per capita GNP fell by an estimated 8.6 per cent,

while per capita gross domestic product (GDP) dropped by 7.4 per cent, reflecting the effects of the extended closures, which disrupted about 30 per cent of normal working days during the year. However, in the second half of 1996 economic conditions began to improve, until the August–September 1997 closures.

16. In addition to a decline in the aggregate income of the West Bank and Gaza Strip, the employment situation and the standard of living have also deteriorated. Between 1992 and 1996, the unemployment rate has grown from approximately 10 to 30 per cent, with significantly higher rates during periods of closure. The decline in the purchasing power of wages has been a main feature of economic life in the past three years. Wages for Palestinian workers fell during the period 1995–1997, while the average price level has risen 6 to 12 per cent each year since 1992. The combined effect of a decline in wages and an increase in the price level has adversely affected Palestinian household living levels. Palestinian households have responded by reducing their average monthly expenditures by about 16 per cent over the past two years. In addition, investment levels have dropped dramatically in the same period, mainly due to the uncertain political situation and Israeli measures undermining investor confidence.

17. In 1997, there was a recovery in labour and commodity flows from the West Bank and Gaza Strip to Israel. Labour flows grew more than anticipated in the initial estimates of the Palestinian Authority Ministry of Finance and the International Monetary Fund (IMF). Licensed monthly average labour flows from the West Bank and Gaza Strip to Israel were about 15 per cent higher in 1997 than in 1996, at approximately 38,000 workers. Commercial truck exports from the West Bank and Gaza Strip were, on a monthly basis, about 1.5 per cent higher than in 1996. This indicates that the Palestinian economy has the capacity for recovery and growth in the absence of severe and extended closures. The Government of Israel also eased restrictions on the movement of goods and persons. However, despite improvements in labour and commodity flows, as well as marginal reductions in unemployment and underemployment, per capita income levels registered further declines in 1997. Continuing the trend witnessed since 1992, population growth exceeded income growth, resulting in falling average incomes.

18. In 1995 and 1996, the Palestinian Authority was compelled to divert funds from public investment to public consumption to counter closure-related economic and social emergencies. The relative stabilization in the movement of goods and persons during 1997 led to a corresponding stabilization in tax revenues and improved public finances; the recurrent budget of the Palestinian Authority for 1998 envisages no deficit, unlike in 1996 and 1997. However, donor disbursements in 1997, at $432 million, were 21.3 per cent below their 1996 level and about 15 per cent below average annual disbursements for the period 1994–1996.

19. The modest economic improvements in 1997, taken together with the expected expansion in Palestinian public investment in the coming year, promise better results in 1998. However, significant economic and social progress depends principally upon meaningful advancement in the Israeli-Palestinian track of the peace process. Such political progress must entail greater Palestinian access to vital resources, such as land and water, and to external markets for inputs and exports. This would create a more stable environment, enhance private investment and generate economic growth and employment.

V. The private sector

20. In the long term, economic growth and development will be generated by the private sector. Excluding agriculture, there are over 50,000 individual private establishments in the West Bank and Gaza Strip, principally small, sole proprietorships with average capitalization levels of approximately $10,000. Commerce and services make up 75 per cent of these businesses, with capitalization levels of approximately $5,300 per business, while manufacturing accounts for up to 20 per cent. with average capitalization levels of approximately $27,000. The relatively large number of commerce and service businesses account for about 50 per cent of the value of privately produced output, with manufacturing accounting for about 20 per cent of such output. Average annual output per worker in the private sector is about $7,000 and evidence shows that output per worker increases with greater amounts of capital invested per worker. However, greater amounts of invested capital do not appear to produce proportional increases in worker output, indicating that better management and marketing techniques may be needed to allow Palestinian businesses to take full advantage of additional capital investment.

21. In addition, while the average rate of return on invested capital is approximately 58 per cent, the return is much below this in the manufacturing sector and considerably above this in commerce and services establishments. In general, smaller firms have higher rates of return, perhaps owing to their ability to more easily adapt production and sales to political turbulence, such as closures, and to other obstacles in the economic environment. This would indicate that the development of the manufacturing sector, in particular, will require more stable political conditions for investment

planning. A survey of private sector specialists in the West Bank and Gaza Strip, undertaken by the Office of the United Nations Special Coordinator in the Occupied Territories, found near unanimity in the view that closures and the unclear business operating environment are the main problems facing private businesses. The majority also indicated that better management and planning techniques, and better market access, were the most important things needed to develop private businesses. However, most were generally positive about business prospects in the West Bank and Gaza Strip, given the development of the proper enabling environment, political stability and freedom of movement of persons and goods

VI. Assistance to the Palestinian people: ongoing programmes, unmet needs and proposals for additional assistance

22. After consultations with the programmes and agencies of the United Nations system active in the area (a list of which appears in the annex to the present report), the Special Coordinator prepared the following update on assistance received by the Palestinian people in the occupied territories during the reporting period, June 1997 to May 1998, from United Nations agencies and programmes, together with an analysis of needs still unmet and specific proposals for responding effectively to them.

Department of Economic and Social Affairs of the United Nations Secretariat

23. The Department of Economic and Social Affairs has been involved in the West Bank and Gaza Strip since 1995 when five project documents were formulated, comprising a comprehensive package of assistance to the Palestinian Authority in the area of public finance and business development. In February 1997, the project to strengthen audit capability received funding from UNDP as a component of a three-year programme on governance and public administration and was implemented. In December 1997, another project on aid management, coordination and accountability was included in the Palestinian Development Plan, 1998–2000.

Economic and Social Commission for Western Asia

24. The Economic and Social Commission for Western Asia (ESCWA) has focused its activities on supporting the economic and social sectors in the West Bank and Gaza Strip, as well as monitoring their development through the provision of advisory services and technical assistance and the preparation of reports and studies. In December 1997, ESCWA convened a meeting at Bir Zeit University to assess the role of non-governmental organizations in the West Bank and Gaza Strip in the fields of health, agriculture and small business enterprises and to identify new areas of cooperation between non-governmental organizations and the Palestinian Authority. The Palestinian Authority was also invited to participate in two ESCWA expert group meetings held in Kuwait and Beirut in late 1997 on the implications of the World Trade Organization Agreement, and the institutional aspects of privatization, for ESCWA member countries. In addition, an expert group meeting on the impact of the peace process was convened in June 1997 to review Arab-Israeli industrial relations, and a subsequent study analysed the changes that have taken place in the trade, financial and industrial sectors of selected ESCWA countries. ESCWA has also secured funds for a project to establish a database on Palestinian refugees in the Syrian Arab Republic and Lebanon and is cooperating with the Palestinian Central Bureau of Statistics (PCBS) in initiating and implementing the project. Other advisory services included assistance to the PCBS for a workshop on the demographic and economic conditions of the Palestinian community in Lebanon; drafting a project document on a comprehensive statistical plan for the Palestinian communities in Lebanon and the Syrian Arab Republic; and a paper on the emerging issues relating to international trade centres and the implications for the Palestinian economy, in cooperation with the United Nations Conference on Trade and Development (UNCTAD), UNDP and the Palestinian Authority.

Food and Agriculture Organization of the United Nations

25. The Food and Agriculture Organization of the United Nations (FAO) continued its assistance to the Ministry of Agriculture in the field of agricultural policy analysis and planning by means of a technical assistance project funded through UNDP. Funds were provided for the training of 10 Gaza fishermen in swordfish-catching techniques, organized in Cyprus in collaboration with the non-governmental

organization CARE International and the Department of Fisheries of Cyprus. At the request of the Ministry of Agriculture and UNDP, FAO organized a seminar on food security programming and a two-week training workshop on food security policy analysis in February 1998. A FAO/World Bank cooperative programme mission visited the West Bank and assisted the Ministry of Agriculture in preparing the agricultural infrastructure component of the agricultural sector rehabilitation project. The mission focused on increasing agricultural productivity through terracing and the construction of cisterns, and developing market access roads to increase the value of agricultural output.

International Atomic Energy Agency

26. At its thirty-eighth General Conference, the International Atomic Energy Agency (IAEA) decided to identify potential technical assistance projects that could be implemented in the West Bank and Gaza Strip through appropriate international organizations. Pursuant to that decision, the IAEA Board of Governors approved two projects which are being implemented though the International Centre for Theoretical Physics (ICTP), in Trieste, Italy. The project on manpower development aims to upgrade and strengthen technical skills and capabilities for the application of nuclear science and technology in various development sectors, while the project on building up science and technology infrastructure plans to set up a laboratory at Bethlehem University to study irradiation effects on optical fibre sensors and to raise the level of training and research in this field. To date, money has been disbursed to train Palestinian technical personnel at the ICTP laboratories, for the procurement of equipment and for arranging expert visits to the West Bank and Gaza Strip.

International Civil Aviation Organization

27. The International Civil Aviation Organization (ICAO) has initiated several missions to Gaza and formulated three project proposals for technical assistance to the Palestinian Civil Aviation Authority, which are still awaiting funding.

International Labour Organization

28. Since 1994, ILO has mobilized over $23 million of donor contributions for technical assistance projects. Technical cooperation has assisted in the establishment of a Department of Labour; the rehabilitation and reintegration of ex-detainees; the establishment of a model production workshop to manufacture low-cost wheelchairs and employ disabled persons; the Palestinian Employment Programme; the establishment of a vocational rehabilitation centre; the training of small contractors; and a number of projects to assist chambers of commerce and trade unions.

29. During the period under review, ILO technical cooperation projects assisted institution-building in labour administration, employment services and occupational safety and health; vocational rehabilitation of disabled persons; and small enterprise development. The institutional framework of employers' and workers' organizations was also improved. Within the framework of the ILO global programme entitled, "More and better jobs for women", an action plan for the West Bank and Gaza Strip was formulated to address women's employment. A study on child labour in the West Bank and Gaza Strip was completed and an ad hoc mission for fact-finding and needs assessment in the field of social security was also undertaken. Disbursements of the ILO technical cooperation programme in 1997 were more than $1.3 million.

30. ILO will continue to approach the issue of employment generation with particular reference to labour market information systems, employment and manpower policies, private sector development and employment services. ILO will also continue to attach great importance to assisting employers' and workers' organizations, with particular emphasis on institution building. Efforts will be intensified to eliminate child labour and to improve employment opportunities and equality for women. In addition, renewed emphasis will be placed on improvements in working conditions, particularly occupational safety and health, and capacity-building with respect to social security.

International Maritime Organization

31. Since March 1996, the International Maritime Organization (IMO) has been implementing a regional project entitled "Development of port State control capabilities in southern and eastern Mediterranean countries", financed by the European Commission and including the Palestinian Authority as one of 11 participants. An IMO needs assessment mission visited Gaza in December 1997 to identify specific areas in which the Palestinian Authority could benefit from IMO technical assistance. The mission's findings revealed limited maritime resources and the absence of a maritime infrastructure, expertise and personnel; a shortage of adequate manpower and training facilities; and the lack of legal, organizational and administrative

departments to deal with maritime issues. The mission recommended that a maritime administration be created to introduce legal and administrative regulations, that an organized structure be set up to deal with, *inter alia*, the imminent establishment of the Gaza port authority, and that training of personnel to run the port should commence as soon as possible. In addition, IMO has submitted three new projects for the Mediterranean region to the European Commission for funding, with the Palestinian Authority as one of the participants.

International Trade Centre

32. In May 1996, the International Trade Centre (ITC) began implementing a technical cooperation project for the export of selected high-value, fresh-cut flowers from the West Bank and Gaza Strip to international markets. ITC has assisted Palestinian growers and exporters in on-farm production and cold-storage techniques; post-harvest handling and quality control; export market development and marketing; trade information services; and the production of the first catalogue of Palestinian fresh-cut flowers. Achievements so far include improved quality standards, increased direct exports and revenues, and the creation and marketing abroad of an identifiable Palestinian product. Among the issues that require addressing is the need to reduce dependence on Israeli crop production inputs and facilitate the work of extension agents and financial assistance to help extend adequate facilities to flower growers.

International Telecommunication Union

33. Following field missions by the International Telecommunication Union (ITU) in 1994 and 1995, a long-term technical assistance programme for 1996–1997 was formulated, an action plan drawn up and a senior technical expert seconded to the Palestinian Authority, whose mission concluded in September 1997. The ITU Regional Office in Cairo undertook an investigative mission to the West Bank and Gaza Strip in January 1998 in order to propose a programme of technical assistance to the Ministry of Posts and Telecommunication. The programme will include the development of a long-term master plan for telecommunications, the establishment of a telecommunications training centre and the granting of fellowships for technical training.

Office of the United Nations High Commissioner for Human Rights

34. The Office of the United Nations High Commissioner for Human Rights signed a technical cooperation programme agreement with the Palestinian Authority in 1996 to provide for the implementation of a comprehensive technical cooperation programme in the field of human rights. The programme covers the period 1997–1998 for a total budget of approximately $1.8 million. At the request of the Palestinian Authority, an addendum was included in the Palestinian Development Plan which will extend the programme to the end of 1999 at an extra cost of $1.1 million.

35. In addition to police training, the Office conducts training-of-trainers courses, trains police commanders in the Gaza Strip and participates in bilateral police training courses. The Office has supplied equipment and documentation to the Ministry of Justice and human rights documentation materials to other Palestinian Authority institutions and non-governmental organizations, and prepared and distributed human rights guidelines to all police officials in the West Bank and Gaza Strip. The Office has also funded two legal drafting fellowships for the legal staff of the Ministry of Justice and fellowships for the Presidential Adviser for Human Rights and the Legal Adviser of the Ministry of Planning and International Cooperation. The Office has also contributed to the funding of the legal research and legislation drafting projects for the Palestinian Independent Commission for Citizens' Rights and the Bir Zeit University Law Centre, as well as the Commission's human rights monitoring project. In addition, the Office has funded the Women's Unit Project of the Palestinian Centre for Human Rights.

36. A major objective of the programme is to assist the Palestinian Authority in establishing a legal framework consistent with international human rights standards. Capacity-building through training, fellowships and funding is being provided as is assistance to non-governmental organizations and the Palestinian Independent Commission for Citizens' Rights. More specific needs include training in human rights for judges, prosecutors and prison personnel; training and fellowships for members of the Human Rights Committee of the Palestinian Legislative Council; training for the police in juvenile justice; strengthening the legal drafting capacity of the Ministry of Justice; support for women's rights and enactment of relevant legislation; formulation of a national plan of action for human rights; and completion of the police training programme in the West Bank. A number of the above activities are ongoing and funded under the current budget and additional activities come within the

approval to extend the current programme, for which funding is being sought.

United Nations Conference on Trade and Development

37. In 1995, following its endorsement of the UNCTAD Programme of Technical Cooperation Activities in Support of Palestinian Trade, Finance and Related Services, the Palestinian Authority requested UNCTAD to extend technical assistance in specific priority areas, targeting the Palestinian private sector and institutional development. UNCTAD has since fielded over 12 advisory missions and prepared summary project proposals which have been submitted for inclusion in the Palestinian Development Plan, 1998–2000.

38. The first phase of a project for an industrial estate in Nablus is currently under implementation. It is being financed by the UNDP Programme of Assistance to the Palestinian People, in close consultation with the Ministry of Industry. The project focuses on policy and regulatory options, as well as on creating the infrastructural, institutional and managerial capacities needed for the establishment and operation of the estate. A project to promote trade cooperation between the Palestinian Authority, Egypt and Jordan is due to commence in mid-1998, as is the initiation phase of a project for two private-sector-driven Palestinian trade points, to be followed by development of related institutional and operational guidelines and a detailed training programme.

39. Following UNCTAD advisory missions to strengthen the capacity of the domestic insurance sector, a set of legal, institutional, managerial and procedural measures for follow-up has been outlined. As a direct follow-up to UNCTAD/UNDP workshops in 1997 on the emerging international trading system and its implications for the Palestinian economy, the TRAINFORTRADE programme at UNCTAD was requested to provide technical assistance in human resources development for trade. The project includes the preparation of training materials and organizing TRAINFORTRADE workshops and advisory services to strengthen local training capacities. National training workshops on commercial diplomacy are being organized in 1998 by the Palestinian Authority, with support from UNCTAD, the United Nations Institute for Training and Research (UNITAR) and UNDP. UNCTAD has also outlined a number of measures for international procurement and the trading of strategic food commodities, including a seminar on commodity trading and commodity supply management. In addition, UNCTAD is studying two new requests from the Palestinian Authority for technical assistance in the areas of debt management and financial analysis and support to small and medium-sized enterprise development.

40. Parallel with operational activities, the UNCTAD secretariat has continued its analytical work on important issues confronting the Palestinian economy. In addition to publishing two such analytical studies, the secretariat has prepared a report on its assistance to the Palestinian people, including an update on recent economic developments and performance. The programme budget for 1998–1999 focuses on rendering technical assistance to the Palestinian people in priority areas within the framework of the UNCTAD Programme of Technical Cooperation Activities, and particular attention will be given to meeting priority requests from the Palestinian Authority in the areas outlined above.

United Nations International Drug Control Programme

41. The United Nations International Drug Control Programme (UNDCP) focuses on a multisectoral approach to coordinate and integrate drug control policies into the broader developmental policies of the West Bank and Gaza Strip. A project entitled "Multisectoral drug control assistance to the Palestinian Authority" was signed in 1996 to provide technical assistance to establish a drug control institutional framework; to reduce the illicit supply of narcotic drugs through improved detection, interdiction and prosecution capacities; and to prevent and reduce drug abuse through improved awareness, treatment and rehabilitation methods. Subsequently, two UNDCP missions visited Gaza to review the progress of the project and accelerate implementation. As a result, the process of procuring equipment for the basic chemical laboratory is proceeding and training for two technicians has been completed. Moves to establish a drug section within the Palestinian Customs Department is also proceeding. In February 1998, a delegation of the Palestinian Anti-narcotics General Administration visited the UNDCP Regional Office in Cairo, which was established in July 1997, and a detailed review of project components and project implementation was undertaken. When completed, the project will set up a new independent Palestinian institution capable of detecting illicit drugs and establishing better control mechanisms in the border areas.

United Nations Development Programme

42. The UNDP Programme of Assistance to the Palestinian People was initiated in 1978 in response to General Assembly resolution 33/147 of 20 December 1978, in which UNDP was requested to improve the economic and social conditions of the Palestinian people by identifying their social and economic needs and by establishing concrete projects to that end. UNDP project expenditures were $33 million in 1997 and have already exceeded $22 million in the first quarter of 1998. UNDP utilizes its core funding resources and its in-house expertise as the initial start-up investment to launch high-priority programme and project activities, which are subsequently developed and sustained largely through bilateral donor contributions. UNDP is therefore both a donor to the Palestinian people through the programming of more than $13 million of core UNDP resources since 1994 and an implementation partner of the Palestinian Authority through the implementation of projects funded through large-scale bilateral donor contributions. Since 1994, donors have contributed more than $180 million to UNDP programme activities in the West Bank and Gaza Strip. All the projects and programmes detailed in the UNDP programme framework for 1998–2000 have been included by the Palestinian Authority in the Palestinian Development Plan, 1998–2000 either as stand-alone projects or as components of larger programmes.

43. During the reporting period, UNDP continued its advocacy role in the promotion of sustainable human development. UNDP sponsored the formulation of a National Poverty Alleviation Action Plan and continued to promote gender awareness by targeting the curriculum of the Palestinian educational system. UNDP supports participatory planning methods and the decentralization of decision-making through its large-scale Local Rural Development Programme, which focuses on improving living conditions and alleviating poverty in rural areas in the West Bank, and through its Community Development Programme, which targets vulnerable groups experiencing economic and social hardship in the Gaza Strip. As the primary capacity-building partner of Palestinian institutions such as the Palestinian Water and Environment Authorities, and through the implementation of several Global Environment Facility projects, UNDP also promotes environmental awareness and the protection of scarce natural resources, particularly water. The UNDP Governance and Public Administration Support Programme seeks to build national capacities in public sector management and administration by targeting assistance to the General Control Institution, the General Personnel Council and the Cabinet Secretariat Office.

44. To promote economic development, UNDP continued its capacity-building support to the key sectors of the Palestinian economy. Through its Agricultural Development Programme, UNDP provided large-scale assistance at both the ministerial and field levels. UNDP also continued its support to the tourism sector by providing capacity-building assistance to the Ministry of Tourism and Antiquities in the areas of policy formulation, sectoral planning, human resources development and tourism awareness and marketing. A number of ongoing projects concentrate on the rehabilitation of archaeological sites to promote the West Bank and Gaza Strip as a tourism destination, encourage employment and increase Palestinian awareness of their cultural heritage. UNDP is also supporting the Bethlehem 2000 project, which will provide a unique opportunity to focus attention on the potential for tourism.

45. The UNDP Infrastructure Rehabilitation Programme focuses on the urgent need for the rehabilitation of existing education and health facilities, public buildings and water and waste-water networks. All such projects are implemented by UNDP through Palestinian private sector contractors, in close partnership with the Palestinian Authority. Much of the infrastructure rehabilitation activities of UNDP utilize labour-intensive methods to help alleviate unemployment in the Gaza Strip and West Bank, constituting part of the UNDP large-scale Employment Generation Programme.

46. UNDP has also expanded its United Nations Volunteers Programme. The National United Nations Volunteers Programme was launched in August 1996 and now accounts for 37 of the 52 United Nations Volunteers currently in the West Bank and Gaza Strip. The Community-based Youth Participation and Development Project, which targets the refugee population, involves capacity-building in nine youth and women's centres in the Gaza Strip, with particular emphasis on female and disabled youth. The United Nations Volunteers' White Helmets Initiative is involved in producing detailed urban development plans for the municipalities of Gaza, Khan Younis and Rafah, working closely with local counterparts to ensure local capacity-building. Another White Helmets Initiative team of sports experts is cooperating with the Ministry of Youth and Sports and local youth centres, concentrating on physical education at the school level and the creation of football and volleyball clubs, as well as coaching the Palestinian football team.

47. UNDP will also continue to assist the Palestinian Authority in the area of development planning and aid coordination. A primary objective is to ensure a commonly recognized overall framework for development planning which can direct both domestic resources and donor assistance to the highest priority needs. Towards this end,

UNDP, in close cooperation with the Office of the United Nations Special Coordinator in the Occupied Territories, has been actively assisting the Palestinian Authority in its efforts to produce the Palestinian Development Plan, 1998–2000, by helping line ministries and institutions to formulate sectoral strategies and priorities and by assisting the Ministry of Planning and International Cooperation to harmonize and unify such plans. In addition, to meet the need for enhanced counterpart capacity-building, UNDP will continue to utilize joint implementation structures in many of its programme activities, whereby the long-term sustainability and accountability of local counterparts and other local implementation partners is combined with the technical, supervisory and managerial expertise of UNDP. This allows for a progressive transfer of technical and managerial implementation responsibilities from UNDP to Palestinian counterpart institutions through support, advice, technical supervision and on-the-job training. Finally, in the area of United Nations coordination, UNDP works closely with the Office of the United Nations Special Coordinator in the Occupied Territories, and plays an active role in the donor coordination mechanisms. Owing to the local circumstances, UNDP also provides full administrative and logistical support to more than 10 United Nations organizations currently operating in the West Bank and Gaza Strip.

United Nations Environment Programme

48. A preparatory assistance project for environmental planning and management support to the Gaza municipality was developed by the joint United Nations Environment Programme (UNEP)/United Nations Centre for Human Settlements (Habitat) (UNCHS) Sustainable Cities Programme. The objective is to prepare a Gaza City environmental profile focusing on priority areas, to draft a long-term programme document and to support start-up activities. As a follow-up, the Mayor of Gaza participated in the second annual meeting of the Sustainable Cities Programme and the Urban Environment Forum, both held in China in October 1997.

United Nations Educational, Scientific and Cultural Organization

49. UNESCO has undertaken a programme of cooperation with the Palestinian people since 1974. In April 1994, a Plan of Action was prepared by the joint UNESCO/Palestinian Coordination Committee which was translated into a Programme of Assistance to the Palestinian People, containing 27 projects. The second phase of the Programme of Assistance to the Palestinian People, entitled "Development for peace", composed of 12 new projects, was agreed in May 1997 and a UNESCO Liaison Office was opened in the West Bank in the same month.

50. The Bethlehem 2000 roving photographic exhibition was inaugurated in June 1997 and an appeal was launched to finance projects contained in the Emergency Action Plan for Bethlehem, prepared by UNESCO and approved by the Palestinian Authority. The Plan comprises approximately 100 projects in the areas of culture, infrastructure, economy and tourism, with a view to restoring and developing Bethlehem and its surroundings. UNESCO, in partnership with the Palestinian Authority, the European Commission, UNDP and the World Bank, organized an international donors conference in Brussels in May 1998 where the Action Plan was presented.

51. In the field of education, a total of 25 scholarships were granted to Palestinian students and a scholarship in educational policy formulation to an official of the Ministry of Education. Two high-level seminars and three courses in educational planning and budgeting were held in Ramallah and Gaza. Under the Palestinian European Academic Cooperation in Education (PEACE) programme, co-sponsored by UNESCO and the European Union, the implementation of projects for higher education was accelerated and six scholarships were renewed. A UNESCO chair in human rights, democracy and peace was established at An-Najah University, Nablus, a physical learning environment project was launched and the model kindergarten project in Gaza can now accommodate 50 children. UNESCO has undertaken to furnish and equip the offices of the Ministry of Higher Education, and the Government of Saudi Arabia has agreed to finance the rehabilitation of a further 20 schools in the West Bank and Gaza Strip. In addition, two multi-purpose community resource centres were set up in Gaza and Nablus, restoration of the mosaics in Hisham's Palace in Jericho commenced and a workshop has been organized to train Palestinians in mosaic restoration.

United Nations Population Fund

52. The United Nations Population Fund (UNFPA) first extended assistance to the Palestinian people in 1986 in cooperation with WHO. UNFPA assistance was provided on a project-by-project basis until 1996, when the first UNFPA Programme of Assistance to the Palestinian People, 1996–1999, was developed for a total of $7.2 million.

53. UNFPA addresses basic needs in three core areas. In reproductive health, the programme aims at developing the capacity of the Women's Health and Development Directorate of the Ministry of Health to better develop, coordinate and monitor the implementation of women's health policies. UNFPA is also assisting the Directorate and the Ministry of Health's Primary Health-care Departments in integrating reproductive health services, including family planning, into primary health-care clinics in the West Bank and Gaza Strip. In addition, support for running a women's centre for health care, social assistance, legal counselling and community education in the Bureij camp and for establishing a similar centre in the Jabalia camp is ongoing. Furthermore, UNFPA is supporting a community-based reproductive health education project in the northern West Bank, to raise awareness of reproductive health issues among men and women and to strengthen the capacity of 30 primarily non-governmental organization-run clinics for the provision of reproductive health services and information.

54. In the area of population and development strategies, UNFPA has provided assistance to the Palestinian Authority in carrying out the first Palestinian Population and Housing Census in December 1997, making reliable data on the composition and characteristics of the Palestinian population available to development planners. In addition, as a follow-up to the census, UNFPA is seeking funds to assist the Palestinian Central Bureau of Statistics in ensuring the proper analysis, dissemination and utilization of the census findings. In the area of advocacy for reproductive health and gender issues, UNFPA is targeting decision makers, religious leaders, youth and the mass media, through assistance to the Health Education and Promotion Department at the Ministry of Health. In addition, population education is being addressed at the Ministry of Education through the provision of technical assistance, training and materials production.

United Nations Children's Fund

55. With the Palestinian Authority assuming greater responsibility for the social sector, the UNICEF Programme of Cooperation in 1997 expanded as a bridging programme. Given the transition from relief to development, service delivery to provide rehabilitation support was coupled with capacity-building for medium-term to long-term development. The overall emphasis of the programme included advocacy and capacity-building for project development and monitoring, utilizing indicators relating to the rights and needs of children and women. The sectoral projects on health and nutrition, basic education and community development were prioritized with specific interventions on primary health care, psycho-social health, early childhood development, primary education, non-formal education and life skills. The UNICEF programme was implemented within the framework of the National Programme of Action for Palestinian Children and Women, 1996–2000, formulated by an inter-ministerial steering committee. Programme objectives incorporated the articles of the Convention on the Rights of the Child and the goals arising from the World Summit for Children. The total budget for 1997 amounted to $3.5 million, of which 72 per cent was supplementary funds and the remainder from UNICEF general resources.

56. Programme implementation in 1997 was satisfactory, despite the problems posed by security restrictions that continued to adversely affect programme delivery. There was difficulty in raising donor support for lower-profile projects and for projects that rely on human resources and staff capacity rather than on infrastructure and supplies. Among the encouraging trends, however, was the Palestinian Authority's increased commitment to programmes for children and women and the promotion of the goals of the National Programme of Action for Palestinian Children and Women, 1996–2000, on the part of the Secretariat for Children. The High Council for Childhood and Motherhood was established and a Child Monitoring Unit at the Palestinian Central Bureau of Statistics was initiated to develop a database and facilitate analysis.

57. The situation of children in the West Bank and Gaza Strip, as indicated by infant and child mortality, nutrition, literacy and education levels, appears relatively satisfactory in comparison with countries of similar per capita incomes. Although the Palestinian Authority cannot ratify international conventions, the Convention on the Rights of the Child and the Convention on the Elimination of Discrimination against Women have been endorsed and feature well in advocacy and programming. Many of the mid-decade goals of the World Summit for Children have been met but progress towards the end-decade goals poses a major challenge. Issues such as children with special needs, maternal and women's health and problems of adolescents and youth need greater attention. There is also the need for disparity reduction in terms of region and gender as well as improving the quality of basic services. Donor support is further needed to enhance and sustain the commitment and the capacity of the Palestinian Authority to promote programmes for children, youth and women and to raise funds for these target groups. In addition, coordinated efforts by United Nations agencies will assist UNICEF in advocacy and capacity-building.

United Nations Industrial Development Organization

58. The United Nations Industrial Development Organization (UNIDO) provides technical assistance in private-sector development for industry, small and medium-sized enterprises, human resources development and technology. In 1997, UNIDO continued to implement a project for the integrated development of the building materials and construction industry in the West Bank and Gaza Strip. A project document for the second stage, the establishment of a Palestinian Construction Resources Centre, has been completed. To support the development of small and medium-sized enterprises, technical experts provided assistance to garment enterprises in the West Bank and Gaza Strip and furnished proposals for additional assistance. Counterpart organizations in Italy have expressed interest in similar activities for the Palestinian leather and footwear and marble and stone industries. To promote the application of renewable energy, the Australian Centre for the Application of Solar Energy has assisted in a report and study and is currently preparing a project document for a broader programme of solar energy development. To address additional needs, a detailed package of services has been identified and presented in the UNIDO Support Programme for Palestinian Industry, 1998–2000, comprising policy advice and monitoring; institutional capacity-building; small and medium-sized enterprises promotion; environmental activities; and investment promotion. Seven of the projects included in the Support Programme have been included in the project list of the Palestinian Development Plan, 1998–2000.

United Nations Development Fund for Women

59. The activities of the United Nations Development Fund for Women (UNIFEM) in the West Bank and Gaza Strip since 1993 aim at strengthening the capacity of governmental and non-governmental organizations to mainstream gender-related issues in national planning and the state-building process. Since 1997, UNIFEM has been providing assistance to the Palestinian people through three projects: a post-Beijing follow-up operation; the women in development facilitation initiative; and the enterprise development project for women in the Gaza Strip.

60. As part of its Beijing follow-up activities, a project was launched in April 1996 covering five countries in the Western Asia region to ensure the implementation of the Platform for Action adopted in Beijing, assisting national committees to prepare national strategies for the advancement of women. UNIFEM national counterparts, the Palestinian Authority Inter-Ministerial Coordinating Committee and the General Union of Palestinian Women, produced a coordinated strategy for Palestinian women. UNIFEM has prepared a proposal for phase II of the project to be carried out by the same partners to enable the committees to carry out and implement the national work plans. The women in development facilitation initiative in the West Bank and Gaza Strip is an information collection and dissemination project involving the Palestinian Authority and international and Palestinian non-governmental organizations and donors, with the ultimate aim of promoting more effective coordination and use of funds. During the pilot phase, the project published two newsletters on women in development issues, conducted workshops and set up a computerized database on women's activities, projects and programmes. The second phase of the project commenced in November 1997 with the addition of two project assistants.

61. Since 1996, UNIFEM has also initiated pilot activities for the economic empowerment of women in the Gaza Strip, in collaboration with the Ministry of Social Affairs. The approach focuses on enterprise development through the creation of entrepreneurial awareness, skills training, institutional capacity-building and the establishment and strengthening of support services for women entrepreneurs. Business awareness and start-your-own-business training courses were conducted during 1997 in addition to a number of follow-up business counselling meetings. The pilot project brought together the resources and expertise of UNDP, the World Food Programme (WFP), ESCWA and others, and revealed outstanding needs in skills training, credit, marketing and business counselling. A second phase of the project was launched in January 1998 to support women's economic empowerment through increasing the number of successful women-owned enterprises. The services include training, business counselling, market research and credit accessibility.

United Nations Institute for Training and Research

62. Since 1995, UNITAR has been engaged in the provision of training and other support programmes to the various agencies of the Palestinian Authority and has conducted 11 workshops for more than 200 participants. During the reporting period, workshops were held in the management of governmental institutions, geographical information systems and project management. Based on participant evaluations and surveys, training programmes have been proposed and designed in management

development; financial management and auditing for middle-level and senior management in the Ministry of Finance and the General Control Institute; and statistics, to strengthen the technical capacity of the Palestinian Statistical Training Centre at the Palestinian Central Bureau of Statistics. UNITAR will appoint a part-time director at the Statistical Training Centre to oversee training programmes for Palestinian Authority officials.

United Nations Relief and Works Agency for Palestine Refugees in the Near East

63. The total number of refugees served by UNRWA in the West Bank and Gaza Strip was 1,308,438, of whom 562,142 were living in 27 refugee camps. The Agency operates or sponsors 387 such facilities and employs 9,026 staff, over 99 per cent of whom are locally recruited Palestinians. The operational character of the Agency's activities differs from that of other United Nations organizations, which for the most part work through the Palestinian Authority or local executing agencies.

64. In the education sector, the Agency's 267 elementary and preparatory schools accommodated 200,886 pupils in the 1997/98 school year, an increase of 12,298 over the previous year. Despite progress in construction and upgrading, lack of funds and sites meant that many schools had to be accommodated in unsatisfactory rented premises, suffered from overcrowding, or were in need of maintenance. To accommodate additional refugee pupils, the Agency continued to rely on contract teachers. Owing to funding shortfalls, UNRWA remained unable to extend the basic education cycle in the West Bank from 9 to 10 years to maintain conformity with the Palestinian Authority education system. The Agency's four vocational and technical training centres provided a variety of programmes for 2,030 trainees. In addition to regular in-service staff training programmes, the Educational Sciences Faculty (ESF) at the Ramallah training centres offered pre-service teacher training leading to a first university degree for 600 trainees. Compensatory ESF classes for Gaza students unable to obtain permits to attend upper-level courses at the Ramallah training centres were concluded in August 1997, after all students had graduated from the programme. Scholarships were awarded to 398 Palestine refugee students for study at universities in the region. The Agency's 1998 education budget for the West Bank and Gaza Strip was $78.9 million, although estimated annual expenditure was only $72.9 million, owing to austerity and other cost- reduction measures.

65. In the health sector, UNRWA operated 51 health facilities which provided comprehensive primary health care and handled 3.8 million patient visits in 1997. Rehabilitation services were provided through 12 physiotherapy clinics. Secondary care was made available to refugee patients through a combination of contractual agreements with non-governmental and private hospitals and partial reimbursement of treatment costs, and directly at the Agency's 43-bed Qalqilia hospital in the West Bank. The Agency implemented an earlier decision to adjust the co-payment rate at Qalqilia hospital to bring it into line with the rate applied at contracted hospitals, in order to maintain essential in-patient services in the face of rising hospitalization costs. In addition to several projects to extend or improve internal sewerage schemes in camps, environmental health services included sewage disposal, management of storm-water runoff, provision of safe drinking water, collection and disposal of refuse and control of insect and rodent infestation. Work continued on the 232-bed European Gaza Hospital which, upon completion, will be handed over to the Palestinian Authority. An affiliated Gaza College of Nursing and Allied Health Sciences will help to provide qualified staff for the hospital. In October 1997, the Palestinian Authority, the European Community and UNRWA signed a memorandum of understanding establishing a hospital project board and agreeing that an international management team would carry out the pre-commissioning and commissioning of the hospital. The Agency's 1998 health budget for the West Bank and Gaza Strip was $27.4 million, although estimated annual expenditure was only $22.8 million, owing to austerity and other cost-reduction measures.

66. In the relief and social services sector, the Agency's special hardship programme provided direct material and financial assistance to 94,990 eligible refugees, an increase of 5,710 over the previous year. The high proportion of cases in Gaza was indicative of poor socio-economic conditions there. UNRWA sponsored 24 women's programmes, 16 community rehabilitation and 25 youth activity centres, plus a rehabilitation centre for the visually impaired in Gaza. The Agency's 1998 relief and social services budget in the West Bank and Gaza Strip was $13.5 million, although estimated annual expenditure was only $9.3 million, again owing to austerity and other cost-reduction measures.

67. UNRWA continued its implementation of the Peace Implementation Programme, an initiative launched in 1993 to help make the results of the Middle East peace process felt at the local level. Through the Programme, the Agency seeks to improve infrastructure, create employment and enhance socio-economic conditions within the Palestine refugee community in the Agency's five fields of operation, but there

was a marked decline in pledges and contributions as compared with previous years. UNRWA also continued to operate an income-generation programme to create job opportunities and alleviate poverty by making credit available to small businesses and micro-enterprises through revolving loan funds established with project contributions. Established in 1991 in response to deteriorating socio-economic conditions and rising unemployment, the programme had by 31 December 1997 provided a total of $20.3 million in loans at commercial interest rates to 10,229 enterprises, while achieving repayment rates approaching 100 per cent. A sister programme to the successful micro-enterprise credit programme in Gaza was launched in the West Bank in March 1998.

68. The Agency's work in the West Bank and Gaza Strip continued to be affected by the continuing financial crisis facing UNRWA since 1993, as a result of repeated shortfalls in funding for the regular budget combined with increasing refugee needs. These shortfalls necessitated the introduction of a series of austerity measures to bring expenditure in line with income and reduce deficit amounts. The Agency was consequently unable to expand services at a rate commensurate with growth in the registered refugee population, and experienced a deterioration in the quality of services as a result of overburdening staff and facilities. In August 1997, the Agency was obliged to introduce an additional round of austerity measures which represented a direct reduction in services. Following receipt of additional pledges, the Agency was able to cancel implementation of some of those measures. However, other measures had to be retained and extended throughout 1998, owing to the continued financial crisis facing the Agency. In addition, constraints on Agency field and headquarters operations arising from security-related measures imposed by the Israeli authorities remained a matter of concern.

Office of the United Nations Special Coordinator in the Occupied Territories

69. In addition to its support, outlined above, to the work of local and international mechanisms, the Office of the United Nations Special Coordinator in the Occupied Territories continued to coordinate bilateral and multilateral training programmes for the Palestinian Police Force. The main objective has been to help transform international training efforts into a longer-term framework to enable the police force to undertake its own specialized training. A joint formulation team produced a final report concerning the establishment of a police academy in Jericho. Thirty-seven specialized training courses took place in the West Bank and Gaza for some 900 policemen, designed to meet needs identified by the Palestinian Police Force and expressed to the international community through the sector working group on the police, for which the Office serves as secretariat. The Office also provides support services to donors in this area, including the facilitation and briefing of visiting missions and trainers, as well as assisting in the monitoring, follow-up and evaluation of courses.

70. The Economic and Social Monitoring Unit continued to publish periodic reports on economic and social conditions in the West Bank and Gaza Strip, in addition to a special report on the Palestinian private sector. The Office's legal adviser coordinated development in the rule of law sector through the preparation of appropriate documents, including a survey on assistance to the sector, which was published in July 1997. The Office is currently updating its database on non-governmental organizations in preparation for a second updated edition of the Directory of non-governmental organizations in the Gaza Strip. Work is also under way on a Directory of non-governmental organizations in the West Bank, also to be published in 1998. There are also plans to bring out a second revised edition of the Directory of non-governmental organizations in donor countries: assistance to the Palestinians in the West Bank and the Gaza Strip, which provides comprehensive profiles of approximately 180 international organizations and the sectors in which they are involved in the West Bank and the Gaza Strip.

World Food Programme

71. Beginning in 1994, WFP has concentrated its activities in the Gaza Strip, with poverty alleviation and social relief interventions aimed at the most severe hardship cases, mainly from the non-refugee population. The WFP budget for the reporting period is estimated at $4 million.

72. In line with the WFP mission statement to address the urgent food security needs of poor households, in-kind assistance was provided to 12,000 ultra-poor households in the Gaza Strip, registered as social hardship cases with the Ministry of Social Affairs. Because of spiralling inflation and the rising cost of basic commodities, such food rations constitute a valuable income transfer to beneficiaries and an essential complement to the cash stipend received under the Ministry of Social Affairs social safety-net scheme. In addition, WFP provided emergency food assistance to 2,000 poor families in the West Bank, in response to a special request from the Ministry to assist rural families severely

affected by repeated border closures and prolonged unemployment. Over 65 per cent of the households supported by WFP are headed by women. In addition, 50 women from low-income households participate in a food-for-work scheme as volunteers assisting project staff in the distribution of food commodities.

73. About 10 per cent of allocated project resources have been earmarked to support local non-governmental organizations active in the health and social sectors and 10 non-governmental organizations in Gaza have received such assistance during the past year. Special food-for-work schemes have enabled such organizations to hire and retain needed staff and volunteers and to improve their community outreach services. WFP has also implemented a pilot agricultural project targeting 500 small farmers in the southern Gaza Strip, whereby food commodities have been distributed to beneficiaries against a cash payment representing less than 30 per cent of the local market value of the donated commodities. Such food aid has improved the household food security of the target group and the funds generated are utilized for the purchase of agricultural inputs and for community development. In addition to in-kind assistance, the WFP direct cash contribution to the project has been used to support capacity-building of the Ministry of Social Affairs and to upgrade and repair existing storage facilities in Gaza.

74. Implementation of project activities proceeded satisfactorily and met defined objectives in terms of beneficiary targeting and outreach services. The Programme's internal evaluation of its assistance to the non-governmental organization sector has led to a redirection of programmes towards development-oriented activities. The assessment of the agriculture pilot scheme recommended the extension of WFP support for agriculture activities for another year and the inclusion of a new group of farmers.

75. WFP assistance for 1998–1999 consists of a two-year project at an estimated cost of $7 million, which was approved by the WFP Executive Board in October 1997. The new project will support the social safety-net programme of the Ministry of Social Affairs. Approximately 15,000 ultra-poor households in the Gaza Strip and 7,000 in the West Bank will benefit from WFP food aid. Assistance to non-governmental organizations will be strengthened and will focus on food-for-work schemes and gender-related activities. WFP will also support 1,000 small-scale farmers in the southern Gaza Strip and the Jordan valley.

World Health Organization

76. In the year under review, WHO provided technical and material assistance to the Palestinian Authority and to other institutions involved in the health sector. Particular attention was paid to basic health needs and to local health development issues arising from the deteriorating economic situation in the West Bank and Gaza Strip. In particular, attention was devoted to the development and identification of public health programmes and to enhanced coordination with other organizations involved in the health sector.

77. At the request of the Ministry of Health, WHO set up a task force for the development of indicators for the Palestinian health system and provided assistance to UNFPA for two reproductive health programmes. On the basis of earlier WHO work, WHO and UNDP assisted the Ministry of Agriculture and the Ministry of Health in developing an eight-year plan to control brucellosis in both the human and animal populations. A situational analysis of the pharmaceutical sector was carried out by staff of the Ministry of Health under the supervision and assistance of WHO, and a list of essential drugs which closely adheres to the WHO model list has been drafted. The Palestinian Essential Drug Programme has continued the activities started earlier in 1996.

78. Two consultants carried out a training course to demonstrate simple and inexpensive techniques for the treatment of caries and donated relevant equipment. As part of the same initiative, an assessment was carried out on the feasibility of carrying out an oral health programme and a fellowship was granted to a staff member of the Ministry of Health to develop plans for the improvement of oral health. A consultant has been seconded to the Department of Community Health at Bir Zeit University to assist in developing the curriculum for a diploma course in primary health care. Key staff from the Ministry of Health and the Palestinian Red Crescent Society attended training courses to advance local planning and managerial capacity to cope with emergencies. WHO also supported a project to develop the Central Public Health Laboratory by identifying essential activities, such as the training of environmental health inspectors and of laboratory staff. Equipment was provided to the Public Health Laboratory in Gaza.

79. In collaboration with the Ministry of Health and the World Bank, a study on the medium-term development strategy and public financing priorities for the health sector was completed. Several recommendations have been adopted in the process of preparing the five-year National Health Plan. The International Initiative against Avoidable Disablement (IMPACT) programme, a joint WHO/ UNDP/UNICEF global undertaking, examined strategies with the Ministry of Health and other concerned parties for launching disability

prevention activities. In addition, the Ministry of Health and other health institutions were provided with WHO publications, office and surgical equipment and audio-visual training materials.

80. The development of the Palestinian health system is taking place in a complex socio-political situation where the present economic realities disappoint Palestinian expectations and demands. Reinforcing and developing the most basic cost-effective programmes and services is a priority need if an efficient health system is to emerge. Among the most urgent needs are rehabilitation of the extended programme of immunization (EPI) cold chain; rehabilitation and upgrading of primary health-care services; premises upgrading; improving working arrangements and referral practices; standardization of clinical practices and more decentralized financial arrangements; development and adoption of a national drug policy; and prevention of chronic diseases such as diabetes and hypertension, together with anti-smoking and accident prevention campaigns. WHO is actively working with the Ministry of Health and the donor community in developing programmes and activities for addressing the above needs.

Annex

United Nations entities active in the occupied territories

Department of Economic and Social Affairs of the United Nations Secretariat

Economic and Social Commission for Western Asia

Food and Agriculture Organization of the United Nations

International Atomic Energy Agency

International Civil Aviation Organization

International Fund for Agricultural Development

International Labour Organization

International Maritime Organization

International Telecommunication Union

International Trade Centre

United Nations Centre for Human Settlements (Habitat)

United Nations Children's Fund

United Nations Conference on Trade and Development

United Nations Development Fund for Women

United Nations Development Programme

United Nations Educational, Scientific and Cultural Organization

United Nations Environment Programme

Office of the United Nations High Commissioner for Human Rights

United Nations Industrial Development Organization

United Nations Institute for Training and Research

United Nations International Drug Control Programme

United Nations Population Fund

United Nations Relief and Works Agency for Palestine Refugees in the Near East

Office of the United Nations Special Coordinator in the Occupied Territories

United Nations Volunteers

Universal Postal Union

World Food Programme

World Health Organization